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SIPDIS

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SUBJECT: AMBASSADOR PRESENTS CREDENTIALS TO PRESIDENT
KOCHARIAN

Classified By: Ambassador John Evans for reasons 1.4 (b/d).

Summary

1. (C) On September 4, 2004, Ambassador Evans presented his letters of credence to President Robert Kocharian. The Ambassador conveyed warm best wishes from President Bush, and explained how U.S. goals for the South Caucasus -- enhancing security and stability, strengthening democratic institutions and fostering broad-based, market-oriented economic growth -- supported Armenia's own aspirations. He thanked Armenia for its contributions to the war on terror and said that recent events in Russia made it doubly clear that all civilized nations should be fighting this war together. Kocharian used the opportunity to thank the U.S. for its steadfast support for Armenia over the years and pledged to continue the close working relationship between his Government and the Embassy. He urged the U.S. -- the only country which had both the trust of all three governments and the power and influence to achieve results -- to continue to use its power and influence to find solutions to regional issues in the South Caucasus. End Summary.

Presentation of Credentials

2. (C) In an elegant, but relatively simple ceremony in the rotunda of Armenia's Presidential Palace, Ambassador Evans presented his credentials to President Robert Kocharian on September 4. The event was well-covered by the Armenian press, and the Ambassador's formal remarks (forwarded in advance to EUR/CACEN) were positively received. The President's office issued a press statement after the event that expressed appreciation for USG economic assistance, and particularly for support in developing Armenia's democratic institutions. President Kocharian met with the Ambassador for nearly an hour after the presentation, accompanied by FM Oskanian and other senior advisers. President Kocharian asked that the Ambassador relay his warm greetings to President Bush.

Terrorism: We Are At War

3. (C) The terrorist attack in North Ossetia dominated the early part of the discussion. "Our two countries are at war," the Ambassador said, and Beslan reminded us of how urgent our work is. Kocharian pledged his continued support to global efforts against terrorism and noted how important Armenia's cooperation with the U.S. on intelligence sharing was to this effort. We face a common enemy, Kocharian underscored, and we must make a cooperative effort to defeat them.

Armenia Grateful for U.S. Assistance

4. (C) Kocharian thanked the USG for its steadfast support for Armenia's transition over the years, and particularly for its generous and essential assistance programs. He said his government was working hard on its proposals for the Millennium Challenge Account (MCA) and asked whether any new information would be available soon. The Ambassador said the U.S. Government was fortunate to have significant resources available for its programs of assistance, but that we could not expect such resources to be available indefinitely. Both sides should take full advantage of this window of opportunity to produce results. The Ambassador said he had met with top MCA officials in Washington just before departing for Yerevan; new information for Armenia should be available soon, perhaps in time for meetings on the margins of the upcoming U.S. - Armenia Task Force in early October.

We Appreciate Your Embassy's Dynamism

5. (C) Kocharian praised the work of Ambassador Ordway and said the two had enjoyed an active relationship. He asked the Ambassador to continue the Embassy's dynamic approach to its work and to continue the practice of spending so much time and energy outside of Yerevan. Kocharian was pleased

the Ambassador had already reached out to the Armenian-American community; ties to the Diaspora are particularly important for Armenia. The Ambassador said he planned to build on the strong record of Ambassador Ordway and his predecessors, and noted that he would continue the practice of regular outreach to the Armenian-American community.

Resolving Conflicts in the South Caucasus

16. (C) Kocharian thanked the Ambassador for the USG's drive to resolve regional conflicts and to enhance security in the South Caucasus. He urged the U.S. to take on a still greater role on these issues as "the only country which had both the trust of all three governments and the power and influence to achieve results on security issues." He asked the Embassy to continue to be in close touch with the Foreign Ministry on issues related to Nagorno-Karabakh. The Ambassador said that the U.S. remained committed to supporting the countries of the South Caucasus as they resolve their conflicts and build stronger relationships, but stressed that the countries themselves must do all in their power to devise solutions. "We want Armenia and its neighbors to succeed." The Ambassador said the Embassy would continue to support the work of the Minsk Group, but made it clear that Ambassador Mann, and not he, would be in the lead on all issues related to N-K.

Resolving Conflicts Will Grow Armenia's Economy

17. (C) President Kocharian spoke at length about the importance of USG assistance in reforming Armenia's economy. We are beginning to see real results, Kocharian said, and the share of GDP produced by small and medium-sized enterprises continues to grow. He agreed with the Ambassador that the fastest way to grow Armenia's economy would be to resolve the conflicts which limit trade with Armenia's neighbors. The high cost of transport brought about by closed borders has clearly affected Armenia's development, Kocharian lamented, while noting that a certain amount of enforced import substitution had not been a bad thing for Armenia's producers. He said the challenge for Armenia was now to help its small and medium-sized producers develop new export markets. The Ambassador outlined how U.S. assistance programs were helping producers learn to market their products abroad. Kocharian expressed appreciation for this assistance and for any help the USG could provide to encourage Turkey to open its border with Armenia.

Defense Cooperation

18. (C) President Kocharian noted the growing defense relationship. He said that Armenia's transportation unit was nearly ready for deployment to Iraq; this unit's integration into the Polish-led force there would be a topic of his September 5-7 trip to Poland. He said his government was committed to completing a EUCOM-led Defense Assessment, but remained highly sensitive to any intrusion into defense issues related to Nagorno-Karabakh. Kocharian pledged increased focus on issues related to NATO and PFP. The Ambassador welcomed Armenia's assent to conducting a defense assessment and said that the USG understood Armenia's sensitivities. He made it clear that the USG saw no inherent contradiction between U.S. and Russian interests in Armenia. Asked if he had any questions, the Ambassador said "no," and the conversation ended on a positive note.

EVANS